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UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail Express Contract 19 (MC2014-41)
Negotiated Service Agreement

Docket No. CP2014-74

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE NOTICE OF CHANGE IN PRICES PURSUANT TO AMENDMENT OF PRIORITY MAIL EXPRESS CONTRACT 19

(February 11, 2016)

The Public Representative hereby provides comments pursuant to Order No. 3064.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of a Change in Prices Pursuant to Amendment to Priority Mail Express Contract 19.² The Postal Service's Notice includes supporting financial documentation, and a certification of compliance with 39 U.S.C. § 3633(a). The Postal Service also filed (under seal) a contract related to the amendment. ³

The contract amendment's effective date will be 2 business days after receiving final regulatory approval by the Commission. *Notice* at 2.

¹ PRC Order No. 3064, Notice and Order Concerning Amendment to a Priority Mail Express Negotiated Service Agreement, February 8, 2016.

² Notice of United States Postal Service of Change in Prices Pursuant to Amendment to Priority Express Contract 19, February 5, 2016 (Notice).

³ Priority Express Mail Contract was originally approved for addition to the Competitive Product List by PRC Order No. 2178, (September 10, 2014).

COMMENTS

The Public Representative has reviewed the instant contract Amendment, the Statement of Supporting Justification, and the financial data and model filed under seal that accompanies the Postal Service's Request. Based upon that review, the Public Representative concludes that , it appears that the contract, as amended will generate sufficient revenues to cover costs, .thus satisfying the requirements of 39 U.S.C. § 3633(a).

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial model filed under seal with the Postal Service's Notice, it appears the negotiated prices in the instant contract amendment should continue to generate sufficient revenues to cover costs.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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